

OFFICE OF THE GOVERNOR



DIVISION OF ADMINISTRATION OFFICE OF RISK MANAGEMENT

PROCEDURES MANUAL FOR INSURANCE REQUIREMENTS IN CONTRACTS AND INDEMNIFICATION AGREEMENTS (HOLD-HARMLESS)

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PREFACE

This manual has been developed to provide useful information on insurance language to use in some contracts. The limits and coverages recommended in this manual are not mandatory. This manual is only to be used as a guideline and to provide recommendations of limits and coverages. The ultimate decision as to what limits and coverages are required in a contract is to be made by each state department, agency, board or commission. This manual is advisory recommendations only. The manual also does not supersede higher insurance limits required by state statute for certain types of contracts.

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INTRODUCTION TO THE MANUAL

DISTRIBUTION

This manual of instructions should be distributed to agency personnel who:

- (1) Prepare Bid Documents
- (2) Negotiate Contracts
- (3) Review Certificates of Insurance
- (4) Prepare "Hold-Harmless" Agreements

PURPOSE

The State of Louisiana, all State Departments, Agencies, Boards and Commissions (herein referred to as Agency) require suppliers, contractors, and tenants (i.e., the other party to an Agency contract) to maintain insurance covering the other party against claims or judgments arising from their products, operations, actions or activities for the Agency. The Agency must require that the contractor/subcontractor adds the Agency by endorsements, as an "additional insured" to protect the Agency, its officers, officials, employees and volunteers. The Agency should also require proof that these requirements have been fulfilled. The required insurance in a bid document does not take effect automatically. The other party's insurance company must first issue the required insurance policies or endorse existing policies to conform to the Agency's requirements. A certificate of insurance is then to be provided by the contractor/subcontractor to confirm that appropriate coverages and endorsements are in force.

The Agency's standard contracts should contain a description of the required insurance and an indemnification clause. The indemnification clause is commonly referred to as a "hold-harmless" agreement. This agreement requires the other party to defend and to indemnify the Agency for losses arising out of the other party's activities or products. It provides protection in addition to insurance purchased by the other party and is particularly important when the other party has a large deductible. The indemnification clause automatically takes effect when a contract is negotiated and signed, if it is required in the contract. This is not true when a contract is awarded through the bid process as required by Louisiana Revised Statute 39:1551 et seq. This statute requires the Agency to bid for some services. This manual will give personnel who prepare bid specifications or negotiate contracts, insurance guidelines as to the types of coverages and minimum limits that should be required. These insurance requirements should be made part of all Agency bid specifications and should be included in the contract between the agency and the other party. Correct insurance specifications and requirements should be sent to bidders early and pertinent insurance forms distributed promptly because legal considerations could hinder changes to bid documents once they have been officially "opened".

In accordance with Act 558, enactment R. S. 38:2195, "Any provision that would require a public body to assume liability for damages caused by the negligence of anyone other than the public body, is prohibited in public contracts."

Once the Agency reviews the bid specifications and awards the contract, the appropriate "hold-harmless" agreement should be signed by the bidder/contractor. Normally, a bid document is not a contract. It is an offer to provide services. Consequently, once the Agency awards the contract and the insurance is in force, the proper certificates of insurance requested in the bid need to be completed and returned to the Agency, along with a copy of the "hold-harmless" agreement. These documents should then be promptly reviewed by appropriate agency personnel for accuracy. Beware of cross outs, changes, and expiration dates. The originals are to be forwarded to the appropriate state agency. The contract can be accepted, from an insurance standpoint, once proof of these requirements has been confirmed. Also, if the contract is longer than one year or the policy period of the insurance expires during the contract period, then Agency personnel must make sure the insurance has been renewed by requesting an updated certificate of insurance.

This manual explains how to establish insurance requirements for contracts with contractors, tenants and vendors and how to monitor their compliance with those requirements.

**** CHAPTER 1 ****

THE BASICS

Basic steps are required in the administration of insurance clauses, in insurance contracts, where the other party is required to provide insurance to protect the Agency, its officers, officials, employees and volunteers. It was mentioned in the introduction that the other party must name the Agency as an "additional insured", and that a second source of protection for the Agency is the other party's indemnification, (hold harmless agreement) whereby, the other party will defend and indemnify the Agency for losses arising out of its activities or products. These signed documents are necessary since court decisions have invalidated or adversely affected the enforceability of certificates, when certificates alone were used.

It is necessary that the correct insurance specifications and forms are used, as found in Chapter 7, "Insurance and Indemnification" and the "Exhibits" section of this manual. These forms include the Agency's standard certificate of insurance and Indemnification Agreement. If these forms are sent in early, the bidder understands the nature of the required forms and can send these forms to the insurer for approval before the bid is submitted, thus eliminating delay after the bid is awarded. Other basic steps include prompt review of completed forms, (this is essential and includes looking for cross-outs and expiration dates) and placing a coverage check on a 30 day diary prior to the insurance expiration date of policies expiring during the project.

If, at diary date, coverage renewal or replacement hasn't taken place, the other party should be informed that a new certificate of insurance needs to be completed. A cover letter requesting necessary, completed confirmation of continued coverage must be sent immediately and returned promptly, before the coverage expiration date.

All coverage forms must be kept for a minimum of five years, since this may be the only record of coverage available.

The other party's insurer must be notified immediately, in writing, of any incidents or claims arising out of the work. Because some policies impose strict deadlines on claims reporting, immediate notification is always essential to avoid coverage problems in this area.

**** CHAPTER 2 ****

CONSIDERATIONS FOR DRAFTING INSURANCE SPECIFICATIONS FOR CONTRACTS

Use coverages and language as shown in Chapter 7, "Insurance and Indemnification" found in this manual. Liability insurance must be written on an "occurrence" basis unless otherwise specified.

1. Describe the maximum deductibles or self-insured retention levels that the other party may maintain. The other party must disclose and the Agency approve such deductibles and levels of retention. Two alternatives to substantial deductibles and retention levels are:
 - a) Request the other party to post a bond guaranteeing payment of losses and defense costs within the deductible or retained layer.
 - b) Request that the other party's insurer reduce the deductible as respects the Agency's interests. If other party is financially unable to reimburse the Agency, or if court sets aside the contract clause, the Agency could be subject to the loss exposure within deductible or retention levels.
2. Require the other party's insurer to add the Agency, its officers, officials, employees and volunteers as "additional insured" to all required liability coverages, except workers' compensation policies and business Automobile liability. It is understood that the business Automobile policy under "Who Is An Insured" automatically provides liability coverage in favor of the State of Louisiana.
3. Policies must be endorsed to give the Agency 30 days notification of cancellation of insurance coverage. This is required since a certificate, regarding cancellation, does not have the same effect as the same statement in an insurance policy. Secondly, Insurance Codes of some states provide that statements made on an insurance certificate do not amend the language of the insurance policy.
4. Insurance must be placed with commercial insurance companies which possess a minimum financial standards, of A.M. Best Company, of **A-:VI** or higher. The letter indicates the insurer's overall management rating of excellent and the roman numeral indicates financial size. The rating of VI indicates a company with surplus of at least \$25,000,000. (This requirement may be waived for Workers Compensation Coverages Only.)
5. This manual shows all minimum insurance limits for respective situations. Higher limits should be required for hazardous activities, such as blasting or where the activity has a severe loss potential, as in construction on or close to highways, utility lines or high-valued property.

Some insurers are phasing in new forms that impose "aggregate limits" on all losses paid by the policy for the coverage term. This new, "Commercial General Liability" policy, as opposed to the old "Comprehensive General Liability" policy, imposes a new limitation on coverage for accidents that happen while the job is in progress. This is the most common type of loss.

Such coverage provided by the contractor would have the aggregate limit reduced, by losses arising out of projects for parties other than the State. Consequently, the Agency should require of the other party:

- 1.) A higher aggregate limit, which is a multiple of the occurrence limit, for example, a \$1 million per occurrence limit with a \$2 million aggregate.
- 2.) A separate aggregate for your project, or
- 3.) Separate protective insurance designed for project owners and landlords. This coverage, commonly known as "Owners Protective Liability (OPL)", would be purchased by the other

party on the Agency's behalf. It could provide the Agency with separate protection, even if the other party's coverage should be exhausted.

*Note: (There are limitations on each of the requirements, 2. and 3. The most significant limitation is that the other party's insurer may decline to amend or to write coverage to fit your requirements.)

**** CHAPTER 3 ****

**GUIDELINES FOR DETERMINING THE CORRECT SET OF SPECIFICATIONS,
OR
IF SPECIAL LANGUAGE IS NEEDED**

Summary

Although the Agency may enter into a variety of contracts each year, most of these contracts may be grouped into a few categories for insurance purposes. The exhibits at the end of this manual provide standardized forms suitable for most contracts. This chapter provides guidelines for the exhibits.

Discussion

The first three (3) sets of insurance specifications at the end of the manual have been developed for the most common situations that the Agency staff will encounter:

Exhibit A - Insurance Requirements for Contractors

Exhibit B - Insurance Requirements for Lessee

Exhibit C pertains to insurance requirements for joint ventures. The most common joint venture is usually between different governmental entities.

The attached Hold-Harmless Agreement shall be completed on the form included in this manual as Exhibit D. **(Only this form will be acceptable.)** Exhibit D is the standard hold-harmless agreement to be used with endorsements A and B. When the agency is entering a joint venture (Exhibit C), contact the Underwriting Unit at the Office of Risk Management (ORM) for special wording prior to the bid specifications.

Exhibit A for contractors is the broadest set of requirements. While its requirements are broader than needed for tenant or other similar contracts, it can be used in those situations. For example: Exhibit A requires Automobile insurance. Automobile insurance is not customarily required in some contracts. Exhibit B is identical to Exhibit A, but deletes the Automobile requirement.

If the activity or subject to the contract fits into more than one category, use the broadest applicable language. For example: If a vendor will also install or maintain the product or perform other services for the Agency, the vendor should be considered as a contractor for the purpose of insurance requirements and the broader language of Exhibit A should be used.

Please remember that this contract manual is intended for standard contracts. It does not fit all situations. Any deviations from the limits of insurance suggested in this manual should be referred to and addressed by the Office of Risk Management (ORM). However, these guidelines are recommendations only, and are alterable at the sole discretion of each agency or department issuing the contract or bid document.

Following are some guidelines for deciding which set of specifications to use or if special language is needed:

1. Construction and Services Contracts.

- a. Includes most construction and remodeling, janitorial service, movers, on-site equipment maintenance agreements, tow service, tree maintenance, road maintenance, welding, plumbing, painting, electrical work and fireworks exhibits. \$1,000,000 minimum limit for general liability.

2. Professional services and environmental risks, including asbestos, hazardous chemicals or waste, and nuclear risks.

- a. Includes architects, engineers, consultants, attorneys and accountants, also any activity involving asbestos, hazardous wastes, or nuclear fuels, facilities or wastes.

- b. Specifications and limits: Special insurance specifications are needed, as professional liability insurers are generally unwilling to add other parties such as the Agency as "additional insureds". Also, most professional liability insurers will not insure liabilities assumed by professionals in contracts such as hold harmless agreements. Therefore, the wording of the hold harmless and indemnification clause may have to be adjusted. Most professional liability and specialty policies are only written on a "claims-made" basis. This will require special language in your contract or bid document. See Chapter 5 for further explanation.

Limits should be set to fit individual circumstances. **Minimum** of \$1,000,000.

Special insurance is available for nuclear risks and may be available for asbestos removal or containment or waste handling. Coverage specifications and limits should be developed to fit the special circumstances of the situation.

3. Liquor Liability

Required if tenant is in the business of manufacturing, distributing, selling, serving or giving alcoholic beverages to the public or is a landlord of such a business.

Limits: \$1,000,000

4. Aircraft, Watercraft and Airports operated under contract.

- a. Includes charter of aircraft or watercraft by the Agency or by another party in performance of work for the Agency.

Minimum Limits: Aircraft: \$10,000,000
Watercraft: \$ 5,000,000

5. Tenants and Concessionaires.

- a. Includes food and beverage concessions, gift shops, office space tenants, childcare centers, senior centers and other space rental to lessees who have full-time or part-time employees.
- b. Special cases: If the tenant's activities include valet parking, either with or without fee, additional coverage called garagekeepers legal liability, may be needed.

6. Vendors and space rental for special occasions.

- a. Includes vendors who supply equipment or other products to the Agency and who do not perform other functions, such as installation or maintenance. Also includes short-term space rental for special occasions to groups who have no employees, such as club functions, weddings, dances, picnics or social dinners, crafts exhibitions or classes, animal shows and recreational activities, including baseball and football.
- b. Special cases: If liquor is served and/or if there is valet parking, then the vendor may also be required to provide liquor liability and/or garagekeepers liability.

7. Property Risks

These insurance specifications presume that all supplies and equipment to be installed remain the property of the other party until the project is complete and accepted by the Agency. Likewise, for suppliers, it assumes that the goods remain the property of the supplier until delivered to the receiving location at the Agency. Therefore, these documents do not address this type of property risks.

If the other party's property might be construed as being in the custody of the Agency, such as storage of tools and equipment on Agency-owned or controlled premises, this risk may be mitigated by a properly worded hold harmless agreement. If Agency property is to be in the custody of a

supplier, for example, a shipment sent "F.O.B." to the supplier's warehouse, the Agency may arrange for transit insurance or request the supplier to do so. This situation could occur, for example, if ownership transfers at the warehouse and the Agency takes the risk of loss in transit.

8. Wrap-ups for major construction projects

The specifications in this manual are intended for routine projects. Major construction projects, especially those that involve many subcontractors, may call for special insurance requirements. Wrap-ups are very complicated and require special attention. Typically, wrap-ups are only financially feasible for projects over \$10,000,000. Contact the Office of Risk Management prior to consideration of a project that includes the use of a wrap-up.

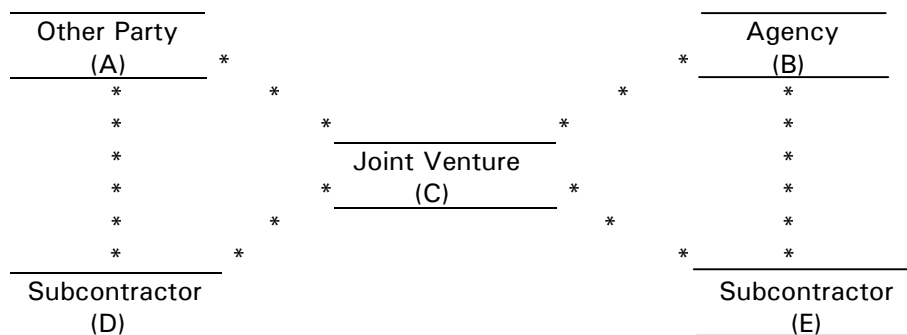
9. Honesty Bond

These are issued to private employers to cover loss caused by dishonesty of their employees. The employer also has the option to cover himself/herself.

10. Joint Ventures

Joint ventures are usually between the Agency and another governmental entity. For insurance requirements in a joint venture, the diagram on the following page will help in the explanation of the different contractual relationships between the Agency (A) and the Other Party (B) which makes up the joint venture (C). When A joins with B, the joint venture is a result of the contract. When the joint venture (C) subcontracts with either Subcontractor D or E, then naturally the Subcontractor should provide insurance coverage(s) as in any standard contract in favor of the Joint Venture (C). A problem arises when the Other Party (B) enters into a contract with Subcontractor (E) that has nothing to do with the Joint Venture (C). The Other Party (B) should hold harmless the joint venture for its contractual relationships directly with Subcontractor (E) for operations which do not arise out of the Joint Venture (C). Any work done by a contractor/subcontractor on behalf of the joint venture should be contracted for/by the joint venture and not the individual parties.

With respect to the Joint Venture, if it can be determined that the claim or occurrence was a direct result of a negligence of the Other Party (B) then the Other Party's insurance coverage shall be primary insurance as respects the Agency (A), its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency (A), its officers, officials, employees and volunteers shall be excess over the Other Party's insurance and shall not contribute to it. If it is determined that the claim or occurrence is the direct result of the Agency (A), then the Agency's insurance coverage shall be primary. If it is not clear who the negligent party was that caused the occurrence that resulted in a loss or claim, both the Agency (A) and the Other Party's (B) insurance shall share equally in the payment of the claim.



**** CHAPTER 4 ****

OBTAINING PROOF OF COMPLIANCE

The traditional system of having insurance agents prepare, sign and submit certificates of insurance has a legal flaw. The insurance codes of some states limit certificate holders' rights and various court decisions may affect a certificate holders' rights; consequently, the Agency should require submission of an Indemnification Agreement, as well as, the certificates.

Items that must be added by endorsement, to the other party's insurance, however, are not automatic, include naming the Agency as "additional insured," as well as, the agreement to notify the Agency, of "notification of cancellation." The other party's agent should be required to obtain all necessary endorsements first and then issue the insurance certificate describing the coverage that has already been put in place.

Problems can be eliminated by properly reviewing the Certificate of Insurance and the Indemnification Agreement. The Indemnification Agreement form can be found in the Exhibit Section of this manual (Exhibit D). The certificate of insurance must be signed by an authorized representative of the other party's insurer and sent to the Agency before work can begin. The Indemnification Agreement should be signed by the company representative of the contracting firm. Standard forms assure the Agency of the following:

- a.) Coverage is in force
- b.) Simplifies Agency's paperwork
- c.) Eliminates the need for the insurer's underwriter having to analyze the contract and having to draft specific language to comply with it.
- d.) By using language most acceptable to the Agency, to match all coverage requirements, the need for detailed review is eliminated.
- e.) Implementation of insurance clauses for contractors, tenants, vendors, and joint ventures in Exhibits A, B, and C respectively, of this manual, can be accomplished by request from the other party's insurance agent, to the insurer, to amend the other party's insurance.

INSURANCE TERMINOLOGY

The following chapter defines certain commonly used insurance terms and describes key types of coverage:

A. "CLAIMS-MADE" AND "OCCURRENCE" - BASED COVERAGES

Most liability insurance policies sold by the commercial insurance market have traditionally been written on an "occurrence" basis, meaning that they insure accidents or events that happen during the policy term, even if the plaintiff does not make a formal claim until months or years later. For example, a child injured in an accident may, under certain circumstances, be allowed to make a formal claim for damages after reaching age eighteen. The insured (e.g., the Contractor or the Agency) would be protected against this claim by the policy in effect at the time of the accident. Thus, it is important to maintain, on a long-term basis, records of coverage even after the policies expire.

In recent years, some insurers have developed a new type of general coverage that imposes strict deadlines regarding timing of claims by plaintiffs and reporting of accidents and claims to the insurer.

This type of coverage is called "claims-made" coverage. Although not widely used, it is common enough that you can expect to encounter some of the Agency's contractors' and vendors' insurance written on these forms.

In its most fundamental form, "claims-made" coverage responds to claims made during the policy term, regardless of when the triggering accident or event happened. Using the example of the injured child, the policy that would respond would be the policy in effect at the time that the child made a formal claim, even if years after the event.

While the restrictions may vary from insurer to insurer, and the forms allow some exceptions. One common version of claims-made coverage applies only to claims that are submitted to the insurer during the policy term or within sixty (60) days thereafter. Therefore, if the Agency's protection is to be preserved under this policy form, claims made against the Agency, either orally or in writing, must be reported immediately to the insurer at the address on the endorsement form. If the coverage has expired, or is about to do so, send notice by the fastest possible means, to reduce the possibility of missing a deadline.

The most common version also makes an exception for claims made within five years after the policy term arising out of incidents that have been reported to the insurer during the policy term or within sixty days thereafter. In other words, if an incident is reported to the insurer that may generate a future claim, coverage is "locked in" for five years. If the incident is not reported (e.g., if you don't know about it), then if the claim is submitted after the policy term, the policy does not cover it. Therefore, you should also report incidents to the insurer immediately.

Clearly, when an agency arranges to be protected under a contractor's liability insurance for claims arising out of a particular project, "occurrence" coverage is preferred, as the needed coverage can be arranged and the full cost known before the project. Professional liability risks are almost always written on a "claims-made" basis, especially professional liability of architects, engineers, medical professionals and consultants. Also, hazardous products or activities, such as asbestos removal contracting, may be written on a "claims-made" form. However, most types of commercial business are usually written on an "occurrence" form.

B. COMMONLY ENCOUNTERED INSURANCE COVERAGES

1. Comprehensive General Liability Insurance and Broad-Form Comprehensive General Liability

Comprehensive General Liability coverage provides protection against bodily injury and property damage claims arising from the operations of a contractor or tenant. This type of

policy provides coverage for premises and operations, use of independent contractors, and products and completed operations. Major exclusions include liability arising out of the ownership, maintenance or use of watercraft, aircraft and automobiles. Other insurance policies normally cover these exposures.

The Agency should require a Comprehensive General Liability insurance policy from all contractors and tenants. This form usually has an annual aggregate limit for products and completed operations losses.

The Broad Form Comprehensive General Liability endorsement is a composite endorsement which includes 13 "add-on" items that expand the coverage of the Comprehensive General Liability Coverage. Add-ons include personal injury, contractual liability and broad form property damage. **This form is being phased out and most companies are now issuing policies on the Commercial General Liability form described below.**

2. Commercial General Liability Insurance

Commercial General Liability coverage was introduced in 1986. This form combines the two forms described in 1. above. However, it limits all loss payments to two aggregate limits, one for products and completed operations and one for all other losses. This form can be written on either a "claims-made" or an "occurrence" basis. The name of this form is similar to that of the older form used above, so care must be used in distinguishing between the names of these forms. Also, some policies even eliminate the aggregate limit. The aggregate limit is the total amount the policy will pay in one year. Prior claims can exhaust the amount of insurance available to pay on a current claim. It is important to ask if there are any claims pending, if the policy has an aggregate. If prior claims paid or filed exceed the policy annual aggregate, you are not receiving any coverage at all.

3. Business Automobile Liability Insurance

This coverage insures against liability claims arising out of the contractor's use of automobiles. The symbol used in the policy defines the scope of cover. Below are descriptions of automobile designation symbols quoted from standard language used by insurers. Generally, you should require "Code 1", which is the broadest code.

CODES USED IN BUSINESS AUTO POLICIES

1 = ANY AUTO.

2 = OWNED AUTOS ONLY.

Only those autos you own (and for liability coverage any trailers you don't own while attached to power units you own). This includes those autos you acquire ownership of after the policy begins.

3 = OWNED PRIVATE PASSENGER AUTOS ONLY.

Only the private passenger autos you own. This includes those private passenger autos you acquire ownership of after the policy begins.

4 = OWNED AUTOS OTHER THAN PRIVATE PASSENGER AUTOS.

Only those autos you own that are not of the private passenger type (and for liability coverage, any trailers you don't own while attached to power units you own). This includes those autos not of the private passenger type you acquire ownership of after the policy begins.

5 = OWNED AUTOS SUBJECT TO NO-FAULT.

Only those autos you own that are required to have No-Fault benefits in the state where they are licensed or principally garaged. This includes those autos you acquire ownership of after the policy begins provided they are required to have No-Fault benefits in the state where they are licensed or principally garaged.

6 = OWNED AUTOS SUBJECT TO A COMPULSORY UNINSURED MOTORISTS LAW.

Only those autos you own that because of the law in the state where they are licensed or principally garaged, are required to have and cannot reject uninsured motorists insurance. This includes autos you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.

7 = SPECIFICALLY DESCRIBED AUTOS.

Only those autos described in ITEM THREE of the Declarations for which a premium charge is shown (and for liability coverage any trailers you don't own while attached to any power unit described in ITEM THREE).

8 = HIRED AUTOS ONLY.

Only those autos you lease, hire, rent or borrow. This does not include any auto you lease, hire, rent, or borrow from any of your employees or partners or members of their households.

9 = NON-OWNED AUTOS ONLY.

Only those autos you do not own, lease, hire, rent, or borrow that are used in connection with your business. This includes autos owned by your employees or partners or members of their households but only while used in your business or your personal affairs.

Automobile coverage requirements should be waived only when the other party's work clearly does not involve the use of an automobile. Should any doubts exist, this coverage should be required.

4. Workers' Compensation and Employers Liability Insurance

Workers' compensation insurance provides statutory protection against bodily injury, sickness or disease sustained by employees of the other party in the scope of their employment. It should be required of any other party performing work for the Agency.

Employers' liability coverage is usually included in workers' compensation policies. It insures common law claims of injured employees made in lieu of or in addition to a workers' compensation claim. The policy should provide a waiver of subrogation in favor of the State as described in C. 10. below.

C. OTHER TERMS AND TYPES OF INSURANCE

1. Contractual Liability

This coverage provides protection for liability assumed by the insured in a contract or agreement.

This coverage should be required from all contractors, but, technically, need not be requested as an additional item from tenants of Agency properties, as comprehensive general liability insurance routinely includes contractual liability assumed in leases. Contractual liability insurance is typically included in the Commercial General Liability coverage and in the older Broad Form Comprehensive General Liability Endorsement, or it

can be written as a separate coverage.

2. Personal Injury Liability

This coverage insures liability for certain non-physical injuries, such as:

- a. False arrest, detention or imprisonment,
- b. Libel, slander or defamation, and
- c. Wrongful entry or eviction.

Personal injury liability insurance should always be required of anyone who may deal with the public, such as contract security guards. It is typically included in the Commercial General Liability coverage and in the older Broad Form Comprehensive General Liability Endorsement, or it can be written as a separate coverage.

3. Broad Form Property Damage

This coverage provides important additional protection to contractors for liability arising out of damage they may cause to property they are working on.

Agencies should require Broad Form Property Damage coverage from contractors working on Agency premises.

It is typically included in the Commercial General Liability coverage and in the older Broad Form Comprehensive General Liability Endorsement, or it can be written as a separate coverage.

4. Products and Completed Operations Liability

This coverage insures liability for bodily injury or property damage resulting from:

- a. A product that is sold, handled or distributed by a supplier,
- b. Faulty work completed by a contractor.

The Agency should require products and completed operations liability coverage from all contractors and from suppliers of hazardous products, such as guns and ammunition. Typically, this coverage is included in Comprehensive General Liability coverage and in Commercial General Liability coverage.

5. Liquor Liability for the Sale of Liquor

If the tenant is not in the liquor-selling business, but is serving liquor for an event such as a Christmas Party, Comprehensive General Liability or Commercial General Liability insurance is appropriate. If the tenant is in the business of manufacturing, distributing, selling, serving or giving alcoholic beverages to the public or is a landlord of such a business, special liquor liability coverage may be needed.

The Agency should require liquor liability coverage from every tenant that sells or serves alcoholic beverages on Agency property.

6. Aircraft Liability and Watercraft Liability Insurance

These coverages protect contractors against liability for injury to other people and their property arising out of the ownership or use of aircraft or of watercraft.

This coverage should be required of any contractor using aircraft or watercraft. Aircraft liability coverage should be extended to include passenger liability. Watercraft liability coverage should include Protection and Indemnity coverage for third-parties.

7. Property Insurance

This type of insurance protects against financial loss resulting from destruction of property by insured perils such as fire. This is a different type of coverage than property damage liability insurance, which covers the insured's legal liability for damage to others' property.

Property insurance should be provided by the Agency when the Agency has a financial interest in property leased to others. The Agency will purchase the property insurance when it owns the building, rather than requiring the tenant to purchase coverage on behalf of the Agency. The advantages of the Agency purchasing the property insurance are:

- a. Assurance that adequate coverage is afforded, and
- b. Assurance that premiums will be paid, thus avoiding cancellation for non-payment of premium.

If the tenant owns the building (on land owned by the Agency), the tenant shall provide proof of insurance as follows:

- a. Provide proof of coverage against at least fire and the extended coverage perils (defined in insurance policies as windstorm, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke), and
- b. Insure the building and contents to at least 90% of its replacement cost.

NOTE: The agency shall also be added as an additional insured on the other party's general liability policy and the other party who owns the building shall issue a hold-harmless agreement protecting the agency from the negligent actions of the other party.

If the agency owns the building on land not owned by the state, then the agency should request a hold-harmless agreement from the owner of the land for the negligent actions of the other party not relating to occurrences which are the negligence of the state.

If the agency leases from someone else, the owner of the building shall provide coverage on the building structure and any non-owned State contents and the agency shall provide coverage for State owned contents. Again, a hold-harmless agreement should be required from the owner of the property for their negligence.

If the agency owns the building which is leased to an other party, the other party shall carry general liability coverage and provide both a certificate of insurance and hold-harmless agreement to the agency. A certificate of insurance shall be provided to the agency as proof of general liability coverage, including premises and operations liability. (If the tenant is residential, the tenant shall provide a renters policy which is commonly referred to in the insurance industry as a HO-4 policy).

8. Crime Coverage

This protects the owner from the loss of "money" due to the actions of a third party. Example: Armored car - limit would be the maximum amount of funds to be transported at any one time.

9. X, C, U Hazards

"X" = explosion

"C" = collapse

"U" = damage to underground property

Comprehensive General Liability and Commercial General Liability policies usually automatically insure liability for these risks, as defined in the policy. However, certain contractors must pay additional premiums to obtain these coverages or the underwriter

will issue the policy excluding X, C and U perils.

10. Waiver of Subrogation

Waiver of subrogation means the relinquishment of a right to seek reimbursement for a loss from the responsible party. For example, agencies often require that a waiver of subrogation be added to a contractor's workers' compensation policy, to prevent the insurer from paying the claim of an injured employee, then seeking reimbursement from the Agency if a defect in the Agency's premises caused the injury.

11. Owners Protective Liability (OPL) – formerly known as Owners and Contractors Protective Liability (OCP)

A loss exposure faced by virtually every business at one time or another is vicarious liability for the actions of independent contractors. Even if an Agency exercises no control over the way in which work is performed by its independent contractor, the Agency can still be held liable for injury or damage arising out of the independent contractor's work in certain circumstances. Those circumstances fall into three groups:

1. **Work that is inherently dangerous** - The State of Louisiana could be held legally liable for bodily injury or property damage to a third-party due to the hazardous nature of the work performed by a contractor. Examples include changing PCB's in cooling units, applying toxic chemicals, such as insecticides or herbicides, and removing of lead-based paint from bridges/overpasses, etc.
2. **Projects that impose non-transferrable duties on the State of Louisiana for whom the work is being performed** - Local, state, or federal laws may subject the State to statutory liability, especially in renovation or new construction projects. Also, "safe workplace" statutes impose liability that cannot be delegated to the contractor. This is especially important when State operations are not discontinued in a building under renovation.
3. **Negligence that leads to the hiring of an incompetent contractor** - In Louisiana, we are required to hire the contractor with the lowest bid on a project in most cases. In a rural area, we may receive only one bid for work on a remote location. The State may have to prove that it has made a diligent effort to hire contractors who have the knowledge, experience, and equipment necessary to perform the work without creating unreasonable risks.

The OPL policy is usually purchased by the contractor in the name of the party for whom the work is to be done. The contractor or subcontractor purchasing it has no coverage under this type of policy. The Agency should require an OPL policy for all new construction and renovations. (This is included in Supplement 1.)

**** CHAPTER 6 ****

WHICH SPECIFICATIONS TO USE

The appropriate forms should be included in the insurance packet, to be sent to the other party, along with "Insurance and Indemnification" (Chapter 7) in this manual.

If it is determined Exhibit A or Exhibit B is to be used, then Exhibit D should also be made part of the specifications in all cases.

If it is determined Exhibit C is to be used, then the Indemnification Agreement for joint ventures needs to be specially written because of the very nature of joint ventures. Contact the Underwriting Unit at the Office of Risk Management (ORM), if needed.

If the contract involves new construction or renovations, use Supplement I in its entirety ONLY. Supplement II should only be used for large contracts. Contact the Office of Risk Management before you put Supplement II in a bid document.

Types of Contracts which fall under the above Exhibits are as follows:

<u>EXHIBIT A</u>	<u>EXHIBIT B</u>	<u>EXCLUSIONS</u>
Janitorial Service	Leases	Honorariums
Movers	Tenants	Speakers
Maintenance Agreements	Renters	Lecturers
Tow Service	<i>Use of Premises for:</i>	<i>Supervising:</i>
Tree Maintenance	Weddings	Students
Welding	Club Functions	Teachers
Plumbing	Meetings	Entertainers
Painting	Dances	Some Commodities
Electrical	Craft Exhibits	
Fireworks	Classes	
Engineers	Animal Shows	
Architects	<i>Recreational Activities:</i>	
Consultants	Football	
Concessionaires	Baseball	
Supplies (Installation required)	Basketball	
	Track	
	Picnics	

INSURANCE AND INDEMNIFICATION

Before commencing work, the other party (vendor/contractor and/or subcontractor) shall obtain at its own cost and expense the following insurance in insurance companies authorized in the State, with an A.M. Best rating of **A:-VI or higher** and shall provide evidence of such insurance to the Agency, as may be required by the contracting agency. The policies or certificates thereof, shall provide that thirty days prior to cancellation notices of same shall be given to the Agency by registered mail, return receipt requested, for all of the following stated insurance policies. All notices shall name the other party and identify the agreement or contract number.

- A. Workers' Compensation - Statutory - in compliance with the Compensation law of the State. Exception: Employers Liability is to be \$1,000,000 when work is to be over water and involves maritime exposure. (A.M. Best's rating requirement mentioned may be waived for workers compensation coverage only.)
- B. Commercial General Liability Insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and property damage. This insurance shall include the following coverages:
 - 1. Premises - Operations
 - 2. Broad Form Contractual Liability
 - 3. Products and Completed Operations
 - 4. Use of Contractors and Subcontractors
 - 5. Personal Injury
 - 6. Broad Form Property Damage
- C. Automobile Liability Insurance with a minimum limit of liability per occurrence of \$1,000,000 for bodily injury and property damage unless otherwise indicated in the contract specifications. This insurance shall include for bodily injury and property damage the following coverages:
 - 1. Owned automobiles
 - 2. Hired automobiles
 - 3. Non-owned automobiles

Note: If the vendor/contractor does not own an automobile and an automobile is utilized in the execution of the contract, then only hired and non-owned coverage is acceptable. If an automobile is not utilized in the execution of the contract, then automobile coverage is not required.

Location of operation shall be "All Locations".

- D. Other Party's Professional Liability. The other party shall provide proof of such insurance. (Minimum limits of \$1,000,000). Required in the "Special Conditions" of the contract specifications.
- E. If at any time any of the policies shall become unsatisfactory to the Agency as to form or substance, or if a company issuing any such policy shall become unsatisfactory to the Agency, the other party shall obtain a new policy, submit the same to the Agency for approval and submit a certificate of insurance as required in the contract. Upon failure of the other party to furnish, deliver and maintain such insurance as above provided, this contract at the election of the Agency may be forthwith declared suspended, discontinued or terminated. Failure of the other party to take out and/or maintain any required insurance, shall not relieve the other party from any liability under the contract, nor shall the insurance requirements be construed to conflict with the obligations of the other party concerning indemnification.
- F. All policies and certificates of insurance of the other party shall reflect the following:
 - 1) The other party's insurer will have no right of recovery or subrogation against the Agency, it being the intention of the parties that the insurance policies so affected shall protect both

parties and the primary coverage for any and all losses covered by the described insurance.

- 2) The Agency shall be named as an "additional insured" as regards negligence by the contractor. (ISO Form CG 20 10 - current form approved for use in Louisiana).
- 3) The insurance companies issuing the policy or policies shall have no recourse against the Agency for payment of any premiums or for assessments under any form of policy.

G. The following Indemnification Agreement shall be, and is hereby, a provision of the contract:

The other party agrees to protect, defend, indemnify, save and hold harmless the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, demands, expense and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of the other party, its agents, servants, and employees, or any and all costs, expense and/or attorney fees incurred by the other party as a result of any claim, demands, and/or causes of action except of those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees. The other party agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent.

- H. Any and all deductibles in the below described insurance policies shall be assumed by and be for the amount of, and at the sole risk of the other party.
- I. The insurance companies issuing the policy or policies shall have no recourse against the Agency for payment of any premiums or for assessments under any form of policy.
- J. All property losses shall be made payable to and adjusted with the Agency.
- K. Neither the acceptance of the completed work nor payment therefor shall release the Contractor/Subcontractor from his obligations from the insurance requirements or indemnification agreement.
- L. Additional insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Special Conditions" of the contract specifications.
- M. If any of the Property and Casualty insurance requirements (Exhibit A or B) are not complied with at their renewal dates, payments to the Contractor/Subcontractor may be withheld until those requirements have been met, or at the option of the Agency, the Agency may pay the Renewal Premium and withhold such payments from any monies due the Contractor/Subcontractor.

**** EXHIBITS AND SUPPLEMENTS ****

- Exhibit A - Insurance Requirements for Contractors
- Exhibit B - Insurance Requirements for Lessee
(No Auto Risks)
- Exhibit C - Insurance Requirements for Joint Ventures
- Exhibit D - Indemnification Agreement (Hold-Harmless)
- Exhibit E - Sample Certificates of Insurance
- Supplement I - Constructions Projects (New and Renovations)
- Supplement II - Optional Use of Endorsements

INSURANCE REQUIREMENTS FOR CONTRACTORS

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability "occurrence" coverage form CG 00 01 (current form approved for use in Louisiana). **"Claims Made" form is unacceptable.**
2. Insurance Services Office form number CA 00 01 (current form approved for use in Louisiana). The policy shall provide coverage for owned, hired, and non-owned coverage. If an automobile is to be utilized in the execution of this contract, and the vendor/contractor does not own a vehicle, then proof of hired and non-owned coverage is sufficient.
3. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana, including Employers Liability insurance.

B. MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Automobile Liability: \$1,000,000 combined single limit per accident, for bodily injury and property damage.
3. Workers Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage. Exception: Employers liability limit is to be \$1,000,000 when work is to be over water and involves maritime exposure.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its officers, officials, employees and volunteers, or 2) the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
 - a. The Agency, its officers, officials, employees, Boards and Commissions and volunteers are to be added as "additional insureds" as respects liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides

liability coverage in favor of the State of Louisiana.

- b. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, officials, employees, Boards and Commissions or volunteers.
- c. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

3. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

E. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of **A-:VI or higher**. This rating requirement may be waived for workers' compensation coverage only.

F. VERIFICATION OF COVERAGE

Contractor shall furnish the Agency with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

G. SUBCONTRACTORS

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

**** EXHIBIT B ****

INSURANCE REQUIREMENTS FOR LESSEES (NO AUTO RISKS)

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 (current form approved for use in Louisiana). **"Claims Made" form is unacceptable.**
2. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana and Employers Liability insurance.

B. MINIMUM LIMITS OF INSURANCE

Lessee shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Workers' Compensation and Employers Liability: Workers' Compensation Limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage. Exception: Employers Liability to be \$1,000,000 when work is to be over water.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its officers, officials and employees, or 2) the Lessee shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability
 - a. The Agency, its officers, officials, employees and volunteers are to be covered as "additional insureds" as respects: liability arising out of premises owned, occupied or used by the Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
 - b. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
 - c. Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
2. **Workers' Compensation and Employers Liability Coverage**

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from the leased premises.
3. **All Coverages**

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

E. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of **A-:VI or higher**. This rating requirement may be waived for workers' compensation coverage only.

F. VERIFICATION OF COVERAGE

Lessee shall furnish the Agency with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the Agency before the lease commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

INSURANCE REQUIREMENTS FOR JOINT VENTURES

The Contractor which enters into a joint venture with the agency shall procure and maintain for the duration of the joint venture insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 (current form approved for use in Louisiana). **"Claims Made" form is unacceptable.**
2. Insurance Services Office form number CA 00 01 (current form approved for use in Louisiana) covering Automobile Liability. The policy shall provide coverage for owned, hired, and non-owned coverage. If an automobile is to be utilized in the execution of this contract, and the vendor/contractor does not own a vehicle, then proof of hired and non-owned coverage is sufficient.
3. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana, including Employers Liability insurance.

B. MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Workers Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage. Exception: Employers liability limit is to be \$1,000,000 when work is to be over water and involves maritime exposure.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its officers, officials, employees and volunteers, or 2) the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
 - a. The Agency, its officers, officials, employees, Boards and Commissions and volunteers are to be added as "additional insureds" as respects liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides

liability coverage in favor of the State of Louisiana.

- b. If it can be determined that the claim or occurrence was a direct result of the negligence of the Contractor, the Contractor's insurance coverage shall be primary insurance as respects the Agency, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. If it is determined that the claim or occurrence is the direct result of the agency, then the agency's insurance coverage shall be primary. If it is not clear as to who the negligent party was that caused the occurrence which resulted in a loss or claim, both entity's insurance shall share equally in the payment of the claim.
- c. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, officials, employees, Boards and Commissions or volunteers.
- d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

3. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

E. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of **A:-VI or higher**. This rating requirement may be waived for workers' compensation coverage only.

F. VERIFICATION OF COVERAGE

Contractor shall furnish the Agency with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

**** EXHIBIT D ****

INDEMNIFICATION AGREEMENT

The _____ agrees to protect, defend, indemnify, save, and hold harmless the
{Contractor/Subcontractor/Lessee/Supplier}

State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, demands, expenses and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of _____ , its agents, servants, and
{Contractor/Subcontractor/Lessee/Supplier}

employees, or any and all costs, expenses and/or attorney fees incurred by

_____ as a result of any claims, demands, and/or causes of action except
{Contractor/Subcontractor/Lessee/Supplier}

those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees.

_____ agrees to investigate, handle, respond to, provide defense for and
{Contractor/Subcontractor/Lessee/Supplier}

defend any such claims, demands, or suits at its sole expense and agrees to bear all other costs and expenses related thereto, even if they (claims, etc.) are groundless, false or fraudulent.

Accepted by _____
Company Name

Signature

Title

Date Accepted _____

Is Certificate of Insurance Attached? ____ Yes ____ No

Contract No. _____ for _____
State Agency Number and Name

PURPOSE OF CONTRACT: _____

**** EXHIBIT E ****

SAMPLE CERTIFICATES OF INSURANCE

The following pages are examples of standard certificates of insurance showing the recommended insurance coverages, limits and other wording. The last certificate is an example of the common errors found on insurance certificates.

ACORD®		CERTIFICATE OF INSURANCE			ISSUE DATE		
PRODUCER BROKER/AGENCY		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.					
INSURED VENDOR/CONTRACTOR		COMPANIES AFFORDING COVERAGE					
		COMPANY LETTER A					
		COMPANY LETTER B					
		COMPANY LETTER C					
		COMPANY LETTER D					
		COMPANY LETTER E					
COVERAGES							
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES.							
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A	GENERAL LIABILITY		* ** INCLUDES AGGREGATE LIMITS OF INSURANCE PER PROJECT INCLUDES BFCGL ENDORSEMENT			BODILY INJURY OCC	\$
	X	COMPREHENSIVE FORM				BODILY INJURY AGG	\$
	X	PREMISES OPERATIONS				PROPERTY DAMAGE OCC	\$
	X	UNDERGROUND EXPLOSION & COLLAPSE HAZARD				PROPERTY DAMAGE AGG	\$
	X	PRODUCTS COMPLETED OPER				BI & PD COMBINED OCC	\$ 1,000,000
	X	CONTRACTUAL				BI & PD COMBINED AGG	\$ 1,000,000
	X	INDEPENDENT CONTRACTORS				PERSONAL INJURY AGG	\$ 1,000,000
	X	BROAD FORM PROPERTY DAMAGE					
	X	PERSONAL INJURY					
	B	AUTOMOBILE LIABILITY					
X		ANY AUTO	BODILY INJURY (Per accident)	\$			
		ALL OWNED AUTOS - Priv Pass	PROPERTY DAMAGE	\$			
		ALL OWNED AUTOS - Other Than Private Passenger	BODILY INJURY & PROPERTY DAMAGE COMBINED	\$ 1,000,000			
X		HIRED AUTOS	EACH OCCURRENCE	\$ 1,000,000			
X		NON-OWNED AUTOS	AGGREGATE	\$ 1,000,000			
		GARAGE LIABILITY					
C	EXCESS LIABILITY					STATUTORY LIMITS	
	X	UMBRELLA FORM				EACH ACCIDENT	\$ 500,000
		OTHER THAN UMBRELLA FORM				DISEASE-POLICY LIMIT	\$ 500,000
D	WORKER'S COMPENSATION AND					DISEASE-EACH EMPLOYEE	\$ 500,000
	EMPLOYER'S LIABILITY						
	OTHER						
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS RE: (ENTER JOB DESCRIPTION HERE)							
* SEE ATTACHED ADDITIONAL INSURED EXTENSION			** SEE ATTACHED WAIVER OF SUBROGATION EXTENSION				
CERTIFICATE HOLDER			CANCELLATION				
STATE OF LOUISIANA DIVISION OF ADMINISTRATION OFFICE OF RISK MANAGEMENT POST OFFICE BOX 94095 BATON ROUGE, LA 70804-9095			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.				
			Authorized Representative				
ACORD 25 (7/90)			ACORD CORPORATION 1990				

PRODUCER

INSURED

A _____

B _____

C _____

D _____

E _____

EXTENSION OF COVERAGE

*** INCLUDES THE FOLLOWING ADDITIONAL INSURED:**

State of Louisiana
Division of Administration
Office of Risk Management
P. O. Box 94095
Baton Rouge, LA 70804-9095

**** INCLUDES WAIVER OF SUBROGATION IN FAVOR OF:**

State of Louisiana
Division of Administration
Office of Risk Management
P. O. Box 94095
Baton Rouge, LA 70804-9095

ACORD®		CERTIFICATE OF INSURANCE			ISSUE DATE	
PRODUCER BROKER/AGENCY		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
INSURED VENDOR/STATE CONTRACTOR		COMPANIES AFFORDING COVERAGE				
		COMPANY LETTER A				
		COMPANY LETTER B				
		COMPANY LETTER C				
		COMPANY LETTER D				
		COMPANY LETTER E				
COVERAGES						
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	* **			GENERAL AGGREGATE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS COMP/OP AGG	\$ 1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000
	<input type="checkbox"/> OWNER'S PROTECTIVE LIABILITY (OPL)				EACH OCCURRENCE	\$ 1,000,000
					FIRE DAMAGE (Any one fire)	\$ 50,000
					MED EXPENSE (Any one person)	\$ 5,000
B	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	<input checked="" type="checkbox"/> HIRED AUTOS				EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				AGGREGATE	\$ 1,000,000
C	EXCESS LIABILITY					
	<input checked="" type="checkbox"/> UMBRELLA FORM					
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					
D	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY	**			STATUTORY LIMITS	
	EACH ACCIDENT				\$ 500,000	
	DISEASE-POLICY LIMIT				\$ 500,000	
	DISEASE-EACH EMPLOYEE				\$ 500,000	
	OTHER					
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS RE: (ENTER JOB DESCRIPTION HERE)						
* SEE ATTACHED ADDITIONAL INSURED EXTENSION			** SEE ATTACHED WAIVER OF SUBROGATION EXTENSION			
CERTIFICATE HOLDER			CANCELLATION			
STATE OF LOUISIANA DIVISION OF ADMINISTRATION OFFICE OF RISK MANAGEMENT POST OFFICE BOX 94095 BATON ROUGE, LA 70804-9095			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES. Authorized Representative			
ACORD 25-S (7/90)			ACORD CORPORATION 1990			

PRODUCER

INSURED

A _____

B _____

C _____

D _____

E _____

EXTENSION OF COVERAGE

*** INCLUDES THE FOLLOWING ADDITIONAL INSURED:**

State of Louisiana
Division of Administration
Office of Risk Management
P. O. Box 94095
Baton Rouge, LA 70804-9095

**** INCLUDES WAIVER OF SUBROGATION IN FAVOR OF:**

State of Louisiana
Division of Administration
Office of Risk Management
P. O. Box 94095
Baton Rouge, LA 70804-9095

ACORD®		CERTIFICATE OF INSURANCE			ISSUE DATE	
PRODUCER BROKER/AGENCY		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
INSURED STATE OF LOUISIANA		COMPANIES AFFORDING COVERAGE				
		COMPANY LETTER A				
		COMPANY LETTER B				
		COMPANY LETTER C				
		COMPANY LETTER D				
		COMPANY LETTER E				
COVERAGES						
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY				GENERAL AGGREGATE	\$ 1,000,000
	COMMERCIAL GENERAL LIABILITY				PRODUCTS COMP/OP AGG	\$
	CLAIMS MADE __ OCCUR				PERSONAL & ADV INJURY	\$
	<input checked="" type="checkbox"/> OWNER'S PROTECTIVE LIABILITY				EACH OCCURRENCE	\$ 1,000,000
					FIRE DAMAGE (Any one fire)	\$
					MED EXPENSE (Any one person)	\$
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$
	ANY AUTO				BODILY INJURY (Per person)	\$
	ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	HIRED AUTOS				EACH OCCURRENCE	\$
	NON-OWNED AUTOS				AGGREGATE	\$
	GARAGE LIABILITY					
	EXCESS LIABILITY				STATUTORY LIMITS	
	UMBRELLA FORM				EACH ACCIDENT	\$
	OTHER THAN UMBRELLA FORM				DISEASE-POLICY LIMIT	\$
					DISEASE-EACH EMPLOYEE	\$
	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY					
	OTHER					
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS RE: (ENTER JOB DESCRIPTION HERE)						
CERTIFICATE HOLDER			CANCELLATION			
STATE OF LOUISIANA DIVISION OF ADMINISTRATION OFFICE OF RISK MANAGEMENT POST OFFICE BOX 94095 BATON ROUGE, LA 70804-9095			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES. Authorized Representative			
ACORD 25-S (7/90)			ACORD CORPORATION 1990			

ACORD®		CERTIFICATE OF INSURANCE			ISSUE DATE				
PRODUCER BROKER/AGENCY		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.							
INSURED VENDOR/STATE CONTRACTOR							COMPANIES AFFORDING COVERAGE		
							COMPANY LETTER A		
							COMPANY LETTER B		
							COMPANY LETTER C		
		COMPANY LETTER D							
		COMPANY LETTER E							
COVERAGES									
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.									
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS				
A	GENERAL LIABILITY	* **			GENERAL AGGREGATE	\$ 1,000,000			
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS COMP/OP AGG	\$ 1,000,000			
	<input type="checkbox"/> CLAIMS MADE <u>X</u> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000			
	OWNER'S PROTECTIVE LIABILITY				EACH OCCURRENCE	\$ 1,000,000			
	<input checked="" type="checkbox"/> AGGREGATE LIMITS OF INSURANCE PER PROJECT				FIRE DAMAGE (Any one fire)	\$ 50,000			
					MED EXPENSE (Any one person)	\$ 5,000			
B	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$ 1,000,000			
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$			
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$			
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$			
	<input checked="" type="checkbox"/> HIRED AUTOS								
	<input checked="" type="checkbox"/> NON-OWNED AUTOS								
C	EXCESS LIABILITY				EACH OCCURRENCE	\$ 1,000,000			
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$ 1,000,000			
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM								
D	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY	**			STATUTORY LIMITS				
	EACH ACCIDENT				\$ 500,000				
	DISEASE-POLICY LIMIT				\$ 500,000				
	DISEASE-EACH EMPLOYEE				\$ 500,000				
	OTHER								
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS RE: (ENTER JOB DESCRIPTION HERE)									
* SEE ATTACHED ADDITIONAL INSURED EXTENSION			** SEE ATTACHED WAIVER OF SUBROGATION EXTENSION						
CERTIFICATE HOLDER			CANCELLATION						
STATE OF LOUISIANA DIVISION OF ADMINISTRATION OFFICE OF RISK MANAGEMENT POST OFFICE BOX 94095 BATON ROUGE, LA 70804-9095			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.						
			Authorized Representative						
ACORD 25-S (7/90)			ACORD CORPORATION 1990						

PRODUCER

INSURED

A _____

B _____

C _____

D _____

E _____

EXTENSION OF COVERAGE

*** INCLUDES THE FOLLOWING ADDITIONAL INSURED:**

State of Louisiana
Division of Administration
Office of Risk Management
P. O. Box 94095
Baton Rouge, LA 70804-9095

**** INCLUDES WAIVER OF SUBROGATION IN FAVOR OF:**

State of Louisiana
Division of Administration
Office of Risk Management
P. O. Box 94095
Baton Rouge, LA 70804-9095

ACORD®		CERTIFICATE OF INSURANCE			ISSUE DATE ** 07-02-98 **	
PRODUCER XYZ INSURANCE AGENCY		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. COMPANIES AFFORDING COVERAGE COMPANY LETTER A Fidelity of Aetna COMPANY LETTER B COMPANY LETTER C COMPANY LETTER D COMPANY LETTER E				
INSURED BABY SEAT MANUFACTURER						
COVERAGES THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	12345	07-01-97	07-01-98	GENERAL AGGREGATE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS COMP/OP AGG	\$ 1,000,000
	<input checked="" type="checkbox"/> CLAIMS MADE — OCCUR				PERSONAL & ADV INJURY	\$ NONE
	OWNER'S PROTECTIVE LIABILITY				EACH OCCURRENCE	\$ 1,000,000
					FIRE DAMAGE (Any one fire)	\$ 50,000
					MED EXPENSE (Any one person)	\$ 5,000
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT	\$
	ANY AUTO				BODILY INJURY (Per person)	\$
	ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	HIRED AUTOS					
	NON-OWNED AUTOS				EACH OCCURRENCE	\$
	GARAGE LIABILITY				AGGREGATE	\$
	EXCESS LIABILITY					
	UMBRELLA FORM				STATUTORY LIMITS	
	OTHER THAN UMBRELLA FORM				EACH ACCIDENT	\$
	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				DISEASE-POLICY LIMIT	\$
					DISEASE-EACH EMPLOYEE	\$
	OTHER					
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS						
CERTIFICATE HOLDER STATE OF LOUISIANA			CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES. Authorized Representative			
ACORD 25-S (7/90)			ACORD CORPORATION 1990			

SUPPLEMENT I
INSURANCE REQUIREMENTS
FOR NEW CONSTRUCTION AND RENOVATION

***** INSURANCE AND INDEMNIFICATION *****

STANDARDIZED INSURANCE REQUIREMENTS FOR ALL AGENCY CONTRACTS

- I. The following Indemnification Agreement shall be, and is hereby, a provision of the contract:

The other party agrees to protect, defend, indemnify, save and hold harmless the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, demands, expense and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of the other party, its agents, servants, and employees, or any and all costs, expense and/or attorney fees incurred by the other party as a result of any claim, demands, and/or causes of action except of those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees. The other party agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent.

- II. All policies and certificates of insurance of the Contractor/Subcontractor shall contain the following clauses:

- A. The Contractor/Subcontractor's insurer will have no right of recovery or subrogation against the Agency, it being the intention of the parties that the insurance policies so affected shall protect both parties and the primary coverage for any and all losses covered by the below described insurance.
- B. The Agency shall be named as an additional insured as regards negligence by the contractor (ISO Form CG 20 10 – current form approved for use in Louisiana).
- C. The insurance companies issuing the policy or policies shall have no recourse against the Agency for payment of any premiums or for assessments under any form of policy.
- D. Any and all deductibles in the below described insurance policies shall be assumed by and be for the amount of, and at the sole risk of the Contractor/Subcontractor.

- III. **INSURANCE:** The Contractor/Subcontractor, prior to commencing work, shall provide at his own expense, proof of the following insurance coverages required by the contract to the Agency in insurance companies authorized in the State of Louisiana. Insurance is to be placed with insurers with an A. M. Best's rating of **A-:VI or higher**. This rating requirement may be waived for workers' compensation coverage only.

Thirty days prior notice of cancellation shall be given to the Agency by registered mail, return receipt requested, on all of the required coverage provided to the Agency. All notices will name the Contractor/Subcontractor and identify the contract number.

Insurance coverage specified in the GENERAL CONDITIONS (AIA Document A 201, 1997 Edition) to be provided by the Contractor, and any other insurance described below shall be furnished with the following minimum limits:

- A. Workers' Compensation - Statutory - in compliance with the Compensation Law of the State. Exception: Employers liability to be \$1,000,000 when work is to be over water and involves maritime exposures.
- B. Commercial General Liability Insurance with a combined single limit per occurrence for bodily injury and property damage. This insurance shall include coverage for bodily injury and property damage, and include the following coverages:
1. Premises - Operations;
 2. Broad Form Contractual Liability;
 3. Products and Completed Operations;
 4. Use of Contractors and Subcontractors;
 5. Personal Injury;
 6. Broad Form Property Damage;
 7. Explosion, Collapse and Underground (XCU) Coverage.

NOTE: On the certificate of insurance, under the description of operations, the following wording is required: THE AGGREGATE LOSS LIMIT APPLIES TO EACH PROJECT, or a copy of ISO form CG 25-03 (current form approved for use in Louisiana) shall be submitted.

COMBINED SINGLE LIMIT (CSL) - AMOUNT OF INSURANCE REQUIRED

Type of <u>Construction</u>	Projects under <u>\$100,000</u>	Projects \$100,001 <u>up to \$1,000,000</u>	Projects over <u>\$1,000,000</u>
New Buildings:			
Each Occurrence/ Minimum Limit	\$500,000	\$1,000,000	\$3,000,000
Aggregate (Applicable to this contract ONLY)	\$500,000	\$1,000,000	\$3,000,000
Renovations: The building(s) value for this project is :\$ _____			
Each Occurrence/ Minimum Limit	\$500,000**	\$1,000,000**	\$3,000,000**
Aggregate (Applicable to this contract ONLY)	\$500,000**	\$1,000,000**	\$3,000,000**

** While the minimum combined single limit of \$500,000 is required for all renovations, the value of a building shall be multiplied by 10% and insurance requirements will be increased at \$1,000,000 intervals and rounded to the nearest \$1,000,000. Example: Renovation on \$33,000,000 building would require \$3,000,000 minimum combined single limit of coverage. Maximum limit required is \$5,000,000 regardless of building value.

- C. Business Automobile Liability Insurance with a combined single limit of \$1,000,000 per occurrence for bodily injury and property damage, unless otherwise indicated. This insurance shall include for bodily injury and property damage the following coverages:
- (1) Owned automobiles;
 - (2) Hired automobiles;
 - (3) Non-owned automobiles.
- D. An Umbrella Policy may be used to meet minimum requirements.

IV. All property losses shall be made payable to and adjusted with the Agency.

- V. All policies of insurance shall be approved by the contracting Agency prior to the inception of any work.
- VI. Other insurance required is as follows:

Owner's Protective Liability (OPL) Insurance shall be furnished by the Contractor and naming the State of Louisiana as the Named Insured.

	Projects under <u>\$100,000</u>	Projects \$100,001 <u>up to \$1,000,000</u>	Projects over <u>\$1,000,000</u>
CSL – Each Occurrence:	\$500,000	\$1,000,000	\$3,000,000

VII. Property Insurance

Unless otherwise provided, the Owner shall purchase and maintain property insurance upon the entire work at the site to the full insurable value equal to the contract sum plus all amendments.

The State of Louisiana is to provide Builder's Risk Insurance to protect the Owner, Contractor, and Sub-Contractors as their interests may appear. The policy is subject to the following deductibles, which will be paid by the Contractor:

All covered causes of loss, except flood	\$1,000 deductible per occurrence
Flood cause of loss	\$5,000 deductible per occurrence

The policy insures against "all risk" of direct physical loss or damage subject to certain exclusions and limitations. A copy of the current policy can be found at the Office of Risk Management website at the address shown below. It is the Contractor's responsibility to review this policy and, if additional insurance is determined to be needed, to purchase the additional insurance to protect the Contractor and Sub-Contractor interest in the project.

Inquiries concerning the Owner's insurance policy shall be sent to the address shown below. In the event of a loss or claim, please notify the Office of Risk Management at the telephone number shown below, with confirmation in writing, providing all pertinent information, such as date of loss, type of loss, approximate extent of damage, location, and project number.

Division of Administration
Office of Risk Management
Post Office Box 91106
Baton Rouge, LA 70821-9106
(225) 342-8500
<http://www.doa.louisiana.gov/orm/uw.htm>

- VIII. If, at any time, any of the said policies shall be or become unsatisfactory to the Agency, as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to the Agency, the Contractor/Subcontractor shall promptly obtain a new policy, submit the same to the Agency for approval and submit a certificate thereof as herein above provided.

Upon failure of the Contractor/Subcontractor to furnish, deliver and maintain such insurance as above provided, this contract, at the election of the Agency, may be forthwith declared suspended, discontinued or terminated. Failure of the Contractor/Subcontractor to take out and/or to maintain or the taking out and/or maintenance of any required insurance, shall not relieve the Contractor/Subcontractor from any liability under the contract, nor shall the insurance

requirements be construed to conflict with the obligations of the Contractor/Subcontractor concerning indemnification. The Agency reserves the right to require complete, certified copies of all required insurance policies at any time.

INFORMATION FOR BIDDERS

RISKS AND INDEMNIFICATIONS ASSUMED BY THE CONTRACTOR

- A. Neither the acceptance of the completed work or payment therefore shall release the Contractor/Subcontractor from his obligations from the insurance requirements or indemnification agreement.
1. Additional insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Special Conditions" of the contract specifications.
 2. If any of the Property and Casualty insurance requirements are not complied with at their renewal dates, payments to the Contractor/Subcontractor will be withheld until those requirements have been met, or at the option of the Agency, the Agency may pay the Renewal Premium and withhold such payments from any monies due the Contractor/Subcontractor.
 3. All property losses shall be made payable to and adjusted with the Agency.
 4. All policies and certificates of insurance shall be approved by the contracting agency prior to the inception of any work.
 5. Other coverages may be required by the Agency based on specific needs. If such other coverages are required for this contract, those coverages will be described in the "Special Conditions" of the contract specifications.
 6. If at any time any of the foregoing policies shall be or become unsatisfactory to the Agency, as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to the Agency, the Contractor/Subcontractor shall, upon notice to that effect from the Agency, promptly obtain a new policy, submit the same to the Agency for approval and submit a certificate thereof as herein above provided. Upon failure of the Contractor/Subcontractor to furnish, deliver and maintain such insurance as above provided, this Contract, at the election of the Agency, may be forthwith declared suspended, discontinued or terminated. Failure of the Contractor/Subcontractor to take out and/or maintain or the taking out and/or maintenance of any required insurance, shall not relieve the Contractor/Subcontractor from any liability under the Contract, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the Contractor/Subcontractor concerning indemnification. The agency reserves the right to require complete, certified copies of all required insurance policies at any time.

SUBCONTRACTORS

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

CERTIFICATES OF INSURANCE

Contractor shall furnish the Agency with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies at any time.

INSURANCE REQUIREMENTS FOR CONTRACTORS

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid.

A. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 (current form approved for use in Louisiana). "Claims Made" form is unacceptable.
2. Insurance Services Office form number CA 00 01 (current form approved for use in Louisiana) covering Automobile Liability. The policy shall provide coverage for owned, hired, and non-owned coverage. If an automobile is to be utilized in the execution of this contract, and the vendor/contractor does not own a vehicle, then proof of hired and non-owned coverage is sufficient.
3. Workers' Compensation insurance as required by the Labor Code of the State of Louisiana, including Employers Liability insurance.

B. MINIMUM LIMITS OF INSURANCE

Contractor shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage (or higher limits depending on size of contract.)
2. Automobile Liability: \$1,000,000 combined single limit per accident, for bodily injury and property damage.
3. Workers Compensation and Employers Liability: Workers' Compensation limits as required by the Labor Code of the State of Louisiana and Employers Liability coverage. Exception: Employers liability limit is to be \$1,000,000 when work is to be over water and involves maritime exposure.

C. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the Agency. At the option of the Agency, either 1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Agency, its officers, officials, employees and volunteers, or 2) the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages
 - a. The Agency, its officers, officials, employees, Boards and Commissions and volunteers are to be added as "additional insureds" as respects liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the

Contractor, premises owned, occupied or used by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. It is understood that the business auto policy under "Who is an Insured" automatically provides liability coverage in favor of the State of Louisiana.

- b. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its officers, officials, employees, Boards and Commissions or volunteers.
 - c. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
2. Workers' Compensation and Employers' Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the Agency.

3. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

E. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with an A.M. Best's rating of **A-:VI or higher**. This rating requirement may be waived for workers' compensation coverage only.

F. VERIFICATION OF COVERAGE

Contractor shall furnish the Agency with certificates of insurance effecting coverage required. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be received and approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies at any time.

**** EXHIBIT A ****

INDEMNIFICATION AGREEMENT

The _____ agrees to protect, defend, indemnify, save, and hold harmless the
{Contractor/Subcontractor/Lessee/Supplier}

State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, demands, expenses and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of _____, its agents, servants, and
{Contractor/Subcontractor/Lessee/Supplier}

employees, or any and all costs, expenses and/or attorney fees incurred by

_____ as a result of any claims, demands, and/or causes of action except
{Contractor/Subcontractor/Lessee/Supplier}

those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees.

_____ agrees to investigate, handle, respond to, provide defense for and
{Contractor/Subcontractor/Lessee/Supplier}

defend any such claims, demands, or suits at its sole expense and agrees to bear all other costs and expenses related thereto, even if they (claims, etc.) are groundless, false or fraudulent.

Accepted by _____
Company Name

Signature

Title

Date Accepted _____

Is Certificate of Insurance Attached? ____ Yes ____ No

Contract No. _____ for _____
State Agency Number and Name

PURPOSE OF CONTRACT: _____

**** SUPPLEMENT II ****

OPTIONAL USE OF ENDORSEMENTS

The use of these endorsements is optional. Exhibits A, B and C, which follow, should be used only after contacting the Office of Risk Management.

SUPPLEMENT II
*** * EXHIBIT A * ***

Return Completed Endorsement to
Attn: _____

**GENERAL LIABILITY ENDORSEMENT
TO THE
STATE OF LOUISIANA**

Only this Endorsement of
Insurance form will be
accepted.

_____ (Agency)

_____ (Address)

Endorsement No.: _____

A. POLICY INFORMATION

1. Insurance Company _____; Policy No.: _____

2. Policy Term (From) _____ (To) _____; Endorsement Effective Date _____

3. Named Insured _____

4. Address of Named Insured _____

5. Limit of Liability Any One Occurrence/Aggregate \$ _____

6. Deductible or Self-Insured Retention (Nil unless otherwise specified): \$ _____

7. Coverage is equivalent to:

Comprehensive General Liability form GL 00 02 (current form approved for use in LA) _____

Commercial General Liability "occurrence" form CG 00 01 (current form approved for use in LA) _____

8. Bodily Injury and Property Damage Coverage is on an "occurrence form". YES___ NO___

B. POLICY AMENDMENTS

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any other endorsement attached thereto, it is agreed as follows:

1. **INSURED.** The Agency, its elected or appointed officers, officials, employees and volunteers are included as insureds with regard to damages and defense of claims arising from: (a) activities performed by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, or (c) premises owned, leased or used by the Named Insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the Named Insured for or on behalf of the Agency; or (b) products sold by the Named Insured to the Agency; or (c) premises leased by the Named Insured from the Agency, the insurance afforded by this policy shall be primary insurance as respects the Agency, its elected or appointed officers, officials, employees or volunteers; or stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the Agency, its elected or appointed officers, officials, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. SCOPE OF COVERAGE. This policy, if primary, affords coverage at least as broad as:

- (1) Insurance Services Office form number GL 00 02 (current form approved for use in Louisiana), Comprehensive General Liability Insurance and Insurance Services Office form number GL 04 04 Broad Form Comprehensive General Liability endorsement; or
- (2) Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG 00 01 or "claims-made" form CG 00 02 (current forms approved for use in Louisiana); or
- (3) If excess, affords coverage which is at least as broad as the primary insurance forms referenced in the preceding sections (1) and (2).

4. SEVERABILITY OF INTEREST. The insurance afforded by this policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respects to the Company's limit of liability.

5. PROVISIONS REGARDING THE INSURED'S DUTIES AFTER ACCIDENT OR LOSS. Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its elected or appointed officers, officials, employees or volunteers.

6. CANCELLATION NOTICE. The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail return receipt requested has been given to the Agency. Such notice shall be addressed as shown in the heading of this endorsement.

C. INCIDENT AND CLAIM REPORTING PROCEDURE

Incidents and claims are to be reported to the insurer at:

ATTN: _____
(Title) (Department)

(Company)

(Street Address)

(City) (State) (Zip Code)

() _____
(Telephone Number)

D SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, _____ (print/type name) warrant that I have authority to bind the below listed insurance company and by my signature hereon do so bind this company.

SIGNATURE OF AUTHORIZED REPRESENTATIVE
(original signature required on endorsement furnished to the Agency)

ORGANIZATION: _____ TITLE: _____

ADDRESS: _____ TELEPHONE: () _____

SUPPLEMENT II
*** * EXHIBIT B * ***

Return Completed Endorsement to
Attn: _____

**AUTOMOBILE LIABILITY ENDORSEMENT
TO THE
STATE OF LOUISIANA**

Only this Endorsement of
Insurance form will be
accepted.

_____ (Agency)

_____ (Address)

A. POLICY INFORMATION

Endorsement No.: _____

1. Insurance Company _____; Policy No.: _____

2. Policy Term (From) _____ (To) _____; Endorsement Effective Date _____

3. Named Insured _____

4. Address of Named Insured _____

5. Limit of Liability Any One Occurrence/Aggregate \$ _____

6. Deductible or Self-Insured Retention (Nil unless otherwise specified): \$ _____

B. POLICY AMENDMENTS

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any other endorsement attached thereto, it is agreed as follows:

1. **INSURED.** The Agency, its elected or appointed officers, officials, employees and volunteers are included as insureds with regard to damages and defense of claims arising from: (a) activities performed by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, or (c) premises owned, leased or used by the Named Insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the Named Insured for or on behalf of the Agency; or (b) products sold by the Named Insured to the Agency; or (c) premises leased by the Named Insured from the Agency, the insurance afforded by this policy shall be primary insurance as respects the Agency, its elected or appointed officers, officials, employees or volunteers; or stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the Agency, its elected or appointed officers, officials, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
 - (1) Insurance Services Office form number CA 00 01 (current form approved for use in Louisiana), covering Automobile Liability Insurance.
 - (2) The policy shall provide coverage for owned, hired, and non-owned coverage.
 - (3) If excess, affords coverage which is at least as broad as the primary insurance forms referenced in the preceding sections (1) and (2).

4. **SEVERABILITY OF INTEREST.** The insurance afforded by this policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respects to the Company's limit of liability.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES AFTER ACCIDENT OR LOSS.** Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Agency, its elected or appointed officers, officials, employees or volunteers.
6. **CANCELLATION NOTICE.** The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail return receipt requested has been given to the Agency. Such notice shall be addressed as shown in the heading of this endorsement.

C. INCIDENT AND CLAIM REPORTING PROCEDURE

Incidents and claims are to be reported to the insurer at:

ATTN: _____
(Title) (Department)

(Company)

(Street Address)

(City) (State) (Zip Code)

() _____
(Telephone Number)

D. SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, _____ (print/type name) warrant that I have authority to bind the below listed insurance company and by my signature hereon do so bind this company.

SIGNATURE OF AUTHORIZED REPRESENTATIVE
(original signature required on endorsement furnished to the Agency)

ORGANIZATION: _____ TITLE: _____

ADDRESS: _____ TELEPHONE: () _____

SUPPLEMENT II
*** * EXHIBIT C * ***

Return Completed Endorsement to
Attn: _____

WORKERS' COMPENSATION/
EMPLOYERS LIABILITY
ENDORSEMENT TO THE
STATE OF LOUISIANA

Only this Endorsement of
Insurance form will be
accepted.

_____ (Agency)

_____ (Address)

A. POLICY INFORMATION

Endorsement No.: _____

1. Insurance Company _____ ("the Company")

Policy Number _____

2. Effective Date of This Endorsement _____

3. Named Insured _____

4. Employer's Liability Limit (Coverage B) _____

B. POLICY AMENDMENTS

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any other endorsement attached thereto, it is agreed as follows:

1. **Cancellation Notice:** The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail return receipt requested has been given to the Agency. Such notice shall be addressed as shown in the heading of this endorsement.
2. **Waiver of Subrogation.** The Insurance Company agrees to waive all rights of subrogation against the Agency, its elected or appointed officers, officials, agents and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency.

C. SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, _____ (print/type name) warrant that I have authority to bind the below listed insurance company and by my signature hereon do so bind this company.

SIGNATURE OF AUTHORIZED REPRESENTATIVE
(original signature required on endorsement furnished to the Agency)

ORGANIZATION: _____

TITLE: _____

ADDRESS: _____

TELEPHONE: (____) _____